

FISCAL NOTE

SB 1499 - HB 736

March 31, 1997

SUMMARY OF BILL: Amends the requirements for utilization review agents who determine appropriate drug and alcohol abuse care for health insurers. The bill requires that all appeals from decisions be made by an unaffiliated medical doctor and deletes the current requirement for a \$1,000 fee from unaccredited agents. Requires the Department of Commerce and Insurance to regulate standards for drug and alcohol abuse treatment based on standards from a non-governmental professional organization.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures -	Exceeds \$300,000
Decrease State Revenues -	Less Than \$100,000
Increase Local Govt. Expenditures* -	Exceeds \$100,000
Other Fiscal Impact - Increase Expenditures/Health Insurance Industry-	Exceeds \$300,000 ¹

Assumes that the cost of drug and alcohol abuse treatment for health insurance plans, included TennCare and the state healthcare insurance plan and local government healthcare plans will increase because of the revised standards.

Assumes these standards will result in higher capitation rates paid to managed care organizations in the TennCare Program.

¹The impact on the health insurance industry is included as required by Chapter 244 of the Public Acts of 1989.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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